

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0506-0026

Case Title:

Ferguson Enterprises Inc.

Reporting Office:

Detroit, MI, Resident Office

Subject of Report:

Interview of F. (b)(6), (b)(7)(C) former Special Master of the Detroit Water & Sewerage Department.

Activity Date:

September 8, 2011

Reporting Official and Date:

(b)(6), (b)(6), (b)(7) ASAC

21-SEP-2011, Signed by: (b)(6), (b)(6), ASAC

Approving Official and Date:

(b)(6), (b)(7)(C), SAC

21-SEP-2011, Approved by: (b)(6), (b)(6), SAC

SYNOPSIS

On September 8, 2011, U.S. EPA CID Special Agent (SA) (b)(6), (b)(7)(C) interviewed F. (b)(6), (b)(7)(C) regarding (b) role as the Special Master overseeing the Detroit Water & Sewerage Department (DWSD)

DETAILS

On September 8, 2011, U.S. EPA CID Special Agent (SA) (b)(6), (b)(7)(C) interviewed F. (b)(6), (b)(7)(C) regarding (b) role as the Special Master overseeing the Detroit Water & Sewerage Department (DWSD). (b)(6), has been previously interviewed in this investigation. Also present during the interview was Assistant U.S. Attorney (AUSA) Mark Chutkow and AUSA Michael Bullotta.

AUSA Bullotta reviewed the circumstances surrounding a meeting which (b)(6), was present for regarding the development of Ford Field and a House of Blues restaurant. (b)(6), explained that (b) recalled discussing this meeting with AUSA Bullotta during a previous interview. AUSA Bullotta asked if (b)(6), had reviewed (b) files and calendar for any relevant documentation to this meeting and specifically who it was from the city who (b)(6), spoke to about the fact that the city was no longer going to provide funding for the project. (b)(6), confirmed that (b) reviewed (b) files and could not find any documentation related to the meeting or who (b) spoke to from the city after the meeting. (b)(6), did recall that the city official told (b) that the decision to pull the funding from this project was in the works prior to the meeting in question.

SA (b)(6), (b)(7) explained that she had reviewed Judge John Feiken's files and well as those from the Bodman Law firm regarding the oversight of the DWSD during the (b)(6), (b) Mayoral Administration. SA (b)(6), (b)(7) asked (b)(6), to review a copy of handwritten notes which she had obtained from the files. (b)(6), identified the notes as being in Judge Feiken's handwriting. (b)(6), thought that the notes were Judge Feiken's thoughts regarding the DWSD contract involving Inland Waters which was a controversy early on in (b)(6), (b)(7) tenure and were likely made before they met with Michigan Governor John Engler regarding a bill which had been introduced for a state take-over of the DWSD.

SA (b)(6), (b)(7) informed (b)(6), that the contract was referred to as CS 1368. (b)(6), explained that (b) never discussed the contract in question with (b)(6), (b)(7) or any other Inland representative. At the time (b)(6), had heard that (b)(6), was upset because (b) was getting pushed out of work at the DWSD. (b)(6), never discussed this situation with (b)(6), (b) although the two are good friends.

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(b)(6), first learned that (b)(6), (b)(7)(C) was forced out of the contract from either Governor Engler or then State Representative (b)(6), (b)(7)(C). (b)(6), (b) is now employed by DTE and can be contacted at (b)(6), (b)(7)(C) (office) or (b)(6), (b)(7)(C) (cell). (b)(6), thought it was likely that Judge Feikens reached out to (b)(6), (b) regarding the take-over legislation and it was through this communication that the story of (b)(6), complaints came to light.

(b)(6), drove to Lansing with (b)(6), (b)(7) and Judge Feikens to meet with Governor Engler the day November 6, after the election of 2002. (b)(6), (b)(7) is now retired but can be contacted at (b)(6), (b)(7). Present at the meeting were also (b)(6), (b)(7)(C), then Chief of Staff for Engler, and maybe (b)(6), (b)(7) who was an attorney who worked for the Governor. (b)(6), is pretty sure (b) knew that (b)(6), contract was being held up by (b)(6), (b) and that (b)(6), (b) was a part of the contract before the meeting with Governor Engler. (b)(6), thought that maybe (b) law partner told (b) of (b)(6), situation.

During the meeting Governor Engler brought up the take-over legislation and that (b) had heard that "we've been hearing" from people like (b)(6), that (b)(6), (b) was putting a lot of pressure on people to hire certain contractors. (b)(6), is pretty sure Engler specifically mentioned (b)(6), and that (b) contract was being held up for political reasons but does not recall Engler mentioning (b)(6), (b)(7)(C). Engler told the group that (b) could kill the bill in the lame duck session of the House but it (the take-over) was a better solution than the status quo. Judge Feikens advised that the take-over was not constructive and advised the governor to veto the bill. Engler expressed (b) belief that steps to ensure that there corruption in contracting didn't occur. Feikens advised Engler that (b) was looking into the hiring of a firm called IMG which would review all contracts over a certain monetary threshold as a measure to protect against contracting irregularities.

SA (b)(6), (b)(7) pointed out that the Judge's notes indicate that (b) met with (b)(6), (b) and discussed the (b)(6), contract. (b)(6), (b) does not recall being present at this meeting but added that Judge Feikens told (b) (b) met with (b)(6), (b) who assured the Judge that the holding up of (b)(6), contract had nothing to do with (b)(6), (b).

(b)(6), then reviewed another set of handwritten notes which are dated July 19, 2005. (b)(6), identified the notes as being (b) own and that (b) likely took them at a regularly monthly meeting. (b)(6), confirmed that (b) notes reflect statements made by (b)(6), (b)(7)(C) regarding why Motor City Electric was not selected for the DWS 844A contract. (b)(6), did talk to (b)(6), (b) about why IMG was not given the 844A contract to review and (b)(6), (b) asserted it was not (b)(6), decision.

(b)(6), recently learned from (b)(6), (b)(7) that the IMG contract with the DWSD pre-dated Judge Feikens' order to hire them.